

# **710H - DHS - Division of County Operations**

## **Final Progress Report for the reporting period July 1, 2003 - June 30, 2004**

### **Section I. Agency Update and Assessment**

#### **1. Emerging Issues at the Federal (National) or State level affecting the agency.**

The Temporary Assistance to Needy Families (TANF) program is operating under a continuing resolution by Congress and is currently extended through September 2004. The proposed elimination of the Work Participation Caseload Reduction Credit and higher mandatory work participation rates included in the Reauthorization bills will significantly impact Arkansas. National focus will be on the Work Participation Rate. Failure to meet the TANF work requirements could result in the loss of federal TANF funds, financial penalties and increased requirements for state financial participation. The division will need to allocate additional resources, by shifting resources from the Food Stamp and Medicaid programs, to attain these new standards. To avoid any possible negative consequences, the agency will be exploring ways to streamline and improve the service delivery system.

#### **2. Status of any new initiatives funded from General Revenue or General Improvement funds in the 2003 Legislative Sessions and other changes made through General Legislation.**

Arkansas must meet a State Maintenance of Effort (MOE) requirement in the Transitional Employment Assistance (TEA) program in order to draw the Federal Temporary Assistance for Needy Families (TANF) block grant funds. During the last legislative session, \$40 million in new State funding was approved for the Arkansas Better Chance for School Success Program. The Department of Health and Human Services, Administration for Children and Families, has determined that some of these funds may be counted toward the MOE requirement for the TEA Program.

#### **3. Discuss significant factors internal and external to the agency affecting agency performance.**

The Food Stamp and Medicaid caseloads have increased 30% over the last three years. While the Agency has been able to maintain high levels of accuracy for both of these programs, application processing timeliness has declined due to the increased caseloads. Arkansas has recently been recognized by the United States Department of Agriculture, Food and Nutrition Services (FNS) for a decade of outstanding performance (program accuracy and customer service) for the administration of the Food Stamp Program. Arkansas has been ranked by FNS 4th in the nation for FY 2003. General economic conditions have impacted performance in the IDA and Weatherization Programs.

#### **4. Provide comments on the usefulness and reliability of performance measures.**

This was the first year that the Agency had to develop our Biennial Budget according to Performance Based Budgeting criteria. It has been a learning experience, and, as we gain experience with these measures and data sources, it may be necessary to adjust the performance indicators or the target levels. Note: Expenditure data is not final until all invoices are paid (8/15/04) and cost allocation adjustments are made.

#### **5. Discuss significant uses of line item flexibility in this report period (agencies operating under Performance-Based Appropriations only).**

N/A

**Section II. Performance Indicators****Program 1: Administration**

**Goal 1:** To provide administrative direction and support to ensure compliance with State and Federal laws and regulations

**Objective 1:** To manage the central office administrative support offices resulting in the fullest and most appropriate utilization of available resources

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Number of Prior Year Audit Findings Repeated in Subsequent Audit	3	2	
2	Number of Waiver Submissions	+1	7	All are Food Stamp waivers. One Medicaid concept paper was submitted to expand ARKids coverage to certain college students.
3	Non-Compliance Determinations without Good Cause Justification	None	None	
4	Percent of Agency Staff and Budget in the Administrative Program Compared to Total Agency Positions and Budget	15/50%	10.54% Staff/ 11.35% Budget	
5	Percent of Agency Performance Measures Met	90%	82%	

**Comments on performance matters related to Objective 1:**

Measure 3: The State is working with the Administration for Children and Families to establish three corrective compliance plans for their approval.

**Program 1: Administration**

**Goal 1:** To provide administrative direction and support to ensure compliance with State and Federal laws and regulations

**Objective 2:** To maximize information technology resources for client services, data collection, and reporting

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Information Systems Costs as a Proportion of Total Adjusted Budget	≤1%	0.35%	
2	Number of Agency Proprietary Systems Maintained by Agency Staff or Maintained through Contractual Services	8	8	

**Comments on performance matters related to Objective 2:**

The Agency implemented ANSWER, an integrated case management system, statewide in September 2003. One stand-alone system, Navigator, was successfully converted to ANSWER in April 2004. We are continuing to work on phasing in another stand-alone system, the Job Retention Database. It is anticipated that 100% of all required data fields for determining the state's TANF Work Participation Rate will be generated from the ANSWER system (instead of a manually collected sample of data) beginning October 2004. In addition, the Agency is developing a new automated system for the Commodity Distribution Program.

**Program 2: Economic and Medical Enrollment**

**Goal 1:** To deliver economic and medical services through a single access site in each county of the state

**Objective 1:** To manage the application processing and case management functions for programs administered by the Division of County Operations through geographically located access points

## Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Food Stamp Application Processing Timeliness Rate	96%	93.80%	Average from July 03-June 04 of FS-3978,3979, 3980. 3981, 3983
2	TEA Programs Timeliness Rate	93%	98.22%	Average from July 03-June 04 of RS-0618 Reports
3	Food Stamp Eligibility Determination Accuracy Rate - Active Cases	93%	96.07%	Data reported by DCO Quality Assurance as of 7-14-04
4	Food Stamp Eligibility Determination Accuracy Rate - Closed / Active Cases	93%	93.90%	Data reported by DCO Quality Assurance as of 7-14-04
5	Food Stamp Caseload	+2%	+13.5%	COORS Report June 2003 & June 2004
6	Increase Medicaid Enrollment Rates	+2%	+6.71%	IM-2414 Reports for June 2003 &
7	Reduce the Number of Pending Medicaid Applications	-1%	+3.6%	RS-0618 Reports July 2003-June 2004
8	Timeliness of Application Processing	90%	81.64%	RS-0618 Reports July 2003-June 2004

**Comments on performance matters related to Objective 1:**

During SFY 04 there was a continual increase in Medicaid and Food Stamps applications. This combined with an average of over 100 vacant positions in the county offices was a contributing factor for not meeting the target for Measures 1,7, and 8.

**Program 2:** Economic and Medical Enrollment

**Goal 2:** To provide greater access to medical care for low-income adults, pregnant women, the aged and the disabled

**Objective 1:** To increase the number of eligible uninsured Arkansans who receive Medicaid assistance

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Increase Enrollment Rates for Tobacco Settlement Categories	+12%	+24.6%	

**Comments on performance matters related to Objective 1:**

Represents increase from June 2003 to June 2004 in the Pregnant Women cumulative total plus the ARSeniors monthly caseload. June 03 - 6879; June 04 - 8573.

**Program 3:** Food Security and Nutrition

**Goal 1:** To reduce food insecurity by providing eligible clients with access to food

**Objective 1:** To utilize surplus USDA commodities to supplement low-income food programs in Arkansas

Measure <u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Proportion of Donated Foods Utilized	99%	99%	

**Comments on performance matters related to Objective 1:**

Dollars Received - \$8,744,010; Dollars Expended - \$8,664,409

**Program 3: Food Security and Nutrition**

**Goal 1:** To reduce food insecurity by providing eligible clients with access to food

**Objective 2:** To assist low-income families and individuals with emergency food products during times of hunger or crisis

Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Proportion of Donated Foods Utilized	99%	114%	

**Comments on performance matters related to Objective 2:**

Dollars Received - \$2,963,614; Dollars Expended - \$3,377,824. Figure exceeds 100% as inventory on hand at the beginning of the fiscal year was utilized.

**Program 3: Food Security and Nutrition**

**Goal 2:** To reduce the dependence of low-income individuals on the Food Stamp Program through gainful employment

**Objective 1:** To assist Food Stamp recipients in finding employment and reducing the need for assistance.

## Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	E&T Participation Rate	+5%	+35.4%	SFY03 (53%); SFY 04 (82%).

**Comments on performance matters related to Objective 1:**

This represents the increase in the participation rate from July 2003 period to the July 2004 period. The participation rate is based on the percentage of persons referred to Education and Training (E&T) who are assessed. It should be noted that when this program was first implemented in 2002, there were three counties participating as pilots for the program. The program has been expanded to 21 counties.



**Program 4:** Transitional Employment Assistance (TEA)

**Goal 1:** To end the dependence of needy parents on government benefits by promoting job preparation, work and marriage

**Objective 1:** To provide up to twenty-four months of cash assistance benefits while the client works to become self-sufficient

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Authorized Benefits Accessible thru EBT System	99%	100%	

**Comments on performance matters related to Objective 1:**

**Program 4: Transitional Employment Assistance (TEA)**

**Goal 1:** To end the dependence of needy parents on government benefits by promoting job preparation, work and marriage

**Objective 2:** To assist eligible parents to become employed, keep jobs that pay above minimum wage and to encourage the formation and maintenance of two-parent families through marriage

## Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	TEA Work Participation Rate (To be adjusted to reflect changes in the federal law resulting from TANF reauthorization)	25%	30.28%	Average from Monthly TEA Activity Reports from July 2003 to June 2004
2	TEA Allowable Work Activities (To be adjusted to reflect changes in the federal law resulting from TANF reauthorization)	52%	83.47%	Average from Monthly TEA Activity Reports from July 2003 to June 2004

**Comments on performance matters related to Objective 2:**

Data for both measures is obtained from the monthly TEA Activity Reports as reported by the county offices. The DCO Quality Assurance randomly selected case records for review and submits their findings to Health and Human Services (HHS). While there is no current Federal data available, their most recent reports are reporting a work participation rate of 28.03% for the period October 2003 to March 2004. A final determination by HHS has not been made. Measure 2 reflects mandatory participants not exempt or deferred that are assigned in a work activity.

**Program 4:** Transitional Employment Assistance (TEA)

**Goal 1:** To end the dependence of needy parents on government benefits by promoting job preparation, work and marriage

**Objective 3:** To provide TEA clients with opportunities and incentives for long-term asset building

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	IDA Program Participation	97%	71%	

**Comments on performance matters related to Objective 3:**

In SFY 2004 IDA program participants were unable to save as much money to earn the 3:1 match as anticipated. We believe this is caused by current economic conditions.

**Program 5: Community Services****Goal 1:** To provide low-income persons with quality shelter.**Objective 1:** To increase the number of eligible Arkansans who receive energy efficient shelter assistance

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Percent of Shelter Plus Care Participants receiving medical services	99%	100%	
2	Percent of Weatherized Homes with Improved RK Factors	+1%	-4%	The cost for weatherizing homes increased by 10%
3	Percentage of Filled Beds in Homeless Shelters	+1%	+2.4%	Four additional shelters were funded.
4	LIHEAP Applications – Number of Days Pending	-5%	-5%	

**Comments on performance matters related to Objective 1:**

**Program 5:** Community Services

**Goal 2:** To maximize funding opportunities for Community Service programs designed to assist low-income individuals to become self-sufficient

**Objective 1:** To increase the number of eligible Arkansans who receive community based assistance

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Increase CSBG Program Participation	+2%	+6%	
2	Percent of Eligible Clients Participating in the Refugee Resettlement Program	95%	N/A	The State does not have a way to determine the number of "eligible" refugees for the denominator.

**Comments on performance matters related to Objective 1:**